

ONASSIS INQUIRY BEGINS IN GENEVA

Two Arbitrators Weigh Oil
Tanker Pact That Involves
Aramco and Saudi Arabia

The long-delayed arbitration of tanker contracts involving the Saudi Arabian Government, the Arabian American Oil Company (Aramco) and Aristotle Socrates Onassis, Greek-Argentine ship operator, is getting under way in Geneva, Switzerland.

According to reports in New York shipping circles, Aramco's arbitrator was chosen a week ago and has joined the Saudi Arabian arbitrator to begin the talks. Egyptians will represent both sides.

The Arabian representative is Dr. Helmy Bahjat Badawi, Egypt's delegate to the Suez Canal Company. Aramco named Saba Habashi, who has been its consulting legal expert for some years. If the two men cannot reach agreement they will name a third impartial member.

Fleet and Concession

The point to be arbitrated is whether a contract granted to Mr. Onassis by the Saudi Arabian Government involving a tanker fleet under the Saudi Arabian flag violates Aramco's concession for oil development in Arabia.

Early in 1954 the Saudi Arabians signed the Onassis contract. It called for the tanker man to turn over to the Government a sizable tanker fleet. He would operate the fleet and would be able to increase it, so that he eventually could establish a hauling monopoly.

At the outset, with 500,000 tons of shipping, the Onassis ships would be likely to carry about 2,000,000 tons of the annual oil production of some 40,000,000 tons.

Maritime nations, including the United States, protested the Arabian-Onassis agreement as restrictive and discriminatory. Aramco held that the pact conflicted with its long-standing contract. The Saudi Arabian King then proposed arbitration.

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